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Customs Fights KGB On High-Tech Thefts

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The U.S. Customs Service—whose agents are most often seen in U.S. airports, searching tourists' luggage for undeclared liquor and other contraband—is also on the front lines in the ongoing battle to keep sensitive U.S. technology out of the hands of the Soviet Union.

Customs has assigned more than 400 agents to a little-known project called "Operation Exodus" that investigates and carefully tracks the movement of high-technology equipment and munitions out of the United States.

Customs Commissioner William von Raab describes Exodus as the response to a "massive KGB-directed campaign coordinated at the highest levels of the Soviet government to get their hands on American technology at any cost. The Soviets know what this technology means on the battlefield, and stealing it makes economic sense It saves them billions in research and development costs"

His assessment is backed up by a report released last September by the Defense Department—based largely on information obtained by French intelligence from a Soviet KGB agent—that describes Soviet acquisition of important pieces of western technology believed to be highly secret.

According to FBI officials, the Soviet government twice a year sends lists to the KGB stations in Washington, New York and San Francisco. These lists, sometimes as thick as telephone books, contain the names of the scientific and technological items that the Soviets would most like to obtain from the United States, by whatever means, according to FBI sources.

"Companies in the United States spend billions on research and development. They come out with a state-of-the-art system. Then the Soviet Union steals it and reverse-engineers it. It's very cost-effective for them," said Gary Waugh, the

Customs Service acting director of strategic investigations.

FBI officials said there are more than 4,000 diplomatic and trade representatives of communist bloc countries in the United States. One out of every three, they say, is believed to be a spy of some type.

Waugh said Operation Exodus has grown dramatically since it was started experimentally four years ago. There are now 1,000 to 1,200 Exodus investigations, so many that agents no longer try to seize the less-important proscribed items such as small personal computers. Instead, they concentrate on weapons technology, fiber optics, lasers, and highly sophisticated computers.

Investigations by Operation Exodus agents have led to many recent indictments and convictions:

- One of the best-known illegal diversion cases involved a 30-ton shipment to Moscow of a powerful computer system, which may have given the Soviets the capability of producing high-quality semiconductors.

Part of the shipment—a \$1.5 million VAX 11/782 minicomputer—was intercepted in late 1983 by U.S. and West German officials in Hamburg aboard a Soviet-bound ship. Richard Mueller, the West German businessman believed to have arranged the shipment, through South Africa and then to West Germany, is a fugitive.

- Late last year two Chicago men and three British citizens were charged with exporting and attempting to export aircraft replacement parts to Iran. The defendants were caught after customs agents replaced some of the aircraft parts with "Love Me Tender Chunks" dog food and followed the crates to their transfer point in Britain.

- Piher Semiconductors S.A. of Barcelona, Spain, acknowledged last May in U.S. District Court here that it illegally imported U.S. electronic equipment which it then shipped to Cuba and the Soviet Union. The company agreed to pay a \$1 million fine.

- American Richard K. Smyth, now

a fugitive, was charged last May with illegally selling to Israel 800 krytrons, electronic switches that can be used as triggers in conventional and nuclear weapons.

- H. Leonard Berg and Solomon Schwartz were charged last May in New York with selling \$2 million in night vision goggles to Argentina and \$200,000 in weapons to Iraq. Customs also seized a shipment of night vision equipment on its way to the Soviet Union and \$1 million in weapons for Poland in the case.

As of last June, Operation Exodus had been responsible for 4,589 formal seizures of illegal exports worth \$310 million.

Federal penalties for knowingly exporting a proscribed item to a communist country include a maximum of 10 years in prison and \$1 million in fines.

Waugh said activities of the 400 agents who work on Operation Exodus are coordinated by a command center here that is complete with a sophisticated data base that helps agents identify esoteric electronic items and weapons components and flags the names of individuals and companies that have a history of involvement in questionable exports.

"We can tell whether we've encountered that commodity or company before," Waugh said.

Andy Garlichs, who supervises Exodus operations in New York, said the Customs Service warns companies to be on the lookout for customers carrying briefcases full of cash or willing to pay several times the retail price of an item.

Rafael Lopez, who heads Operation Exodus arms investigations, said agents also monitor foreign requests for spare parts, particularly from countries not authorized to have the equipment being repaired.

Despite the success of the program, Waugh said there are problems.

"This is a free country. We can't restrict people from doing business. We try to carry out the mandate without restricting legitimate trade," he said.

Waugh added, "There are very few people more sophisticated than international businessmen. You're not dealing with some schmuck on the street with half a lid of grass. You're talking about multi-multimillionaires."

"It's like trying to stop narcotics," Waugh said. "You can make a dent, but you can't stop it."